

California Association of Alcohol and Drug Program Executives, Inc.  
(CAADPE)

**RESPONSE TO:** CPR Recommendation # HH 15 - Consolidate the State's Mental Health and Alcohol and Drug Programs to Better Serve Californians

**RESPONDER:** California Association of Alcohol and Drug Program Executives, Inc. (CAADPE)  
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The California Performance Review Commission missed a valuable opportunity to examine the cross-systems impact of substance abuse on our State government, other State agencies and policy imperatives such as criminal justice. Instead, the Commission took a narrow focus and advanced a recommendation that has been previously rejected by the Executive Branch and the Legislature.

In addition, the California Performance Review Commission:

- **INCORRECTLY** cited the prevalence of co-occurring disorders amongst individuals with serious mental illness who are the primary clientele of DMH to justify consolidation of the two departments. Twelve percent, rather than the 41% cited as justification, have a co-occurring DSM IV-R disorder of serious mental illness (SMI) and substance abuse disorder (SUD); old SAMHSA statistics that refer to other populations were cited and the latest SAMHSA figures on co-occurring mental illness and serious substance dependence were not utilized in the CPR analysis. While this co-occurrence is certainly a clinical issue, there are other co-occurring relationships that are equally, if not more, important to substance abuse treatment services and agencies. Merger of the two departments based on 12% of the SMI population is not justified.
- **OVERSTATED** the relationship between mental illness relapse and substance abuse. Relapse is a complex clinical phenomenon that has many reasons other than co-occurrence; it does not imply a need for consolidation of the two disciplines at the organizational level but rather for effective co-ordination of efforts and redefinition and training for new work processes that are evidence-based and more efficient. The report attributes substance abuse relapse primarily to "untreated psychiatric disorders", citing a 1997 study later that was completely negated by a more recent and much broader study composite (meta-analysis) report summarizing results of major published studies that concluded that the phenomenon of SUD relapse was "complex" and that "no single variable strongly predicts continued drug use."
- **FAILED** to equally employ citations from experts, organizations and providers in the substance abuse field or from other state agencies providing substance abuse services and used only those from the mental health field.
- **FAILED** to compare California to larger, more diverse, states that are far more comparable than Oregon in population, diversity and political complexity to California (e.g. Texas, New York, Florida, Michigan or Ohio), where Departments of Mental Health and Substance Abuse have not been merged despite recent reorganizations ordered by the legislatures and/or the Governors. Also, the CPR conducted no analysis where ADP/MH mergers were rejected or avoided (e.g. Florida, NY, Texas, Ohio, Michigan, Texas).
- **FAILED** to take into consideration the impact a merger would have on the federal Substance Abuse Prevention and Treatment (SAPTBG) block grant funding, which contributes a very large proportion of the State's public treatment dollars and which has stringent maintenance of effort requirements that can lead to a loss of Federal funds, as is already occurring in Massachusetts. In California, DMH has a proportionately smaller amount of Federal mental health block grant funding compared to State funding. ADP has a very high proportion of funding from Federal block grant. By statute substance abuse funding focuses on serving everyone with dependence or abuse problems, whether or not severe. Mental health funding in this state is focused almost completely on persons with serious mental illness (SMI) or serious emotional

disturbance (SED). Consolidation of Mental Health and Alcohol and Drug Programs and the funding reduction recommended for ADP would seriously endanger ADP compliance with SAPTBG Federal maintenance of effort (MOE) block grant requirements. Substance abuse agencies are much smaller than mental health agencies but have much higher proportion of Federal block grants that require reporting, scrutiny and level funding. Consolidation of ADP within DMH or any other department subsumes the smaller department within the larger one, threatening MOE requirements and reporting required by SAPT block grant funding, as has happened in many other states.

- **FAILED** to consider that State substance abuse agencies such as the ones in Florida and New York, typically find that consolidation with the mental health agency in particular significantly degrades their ability to promote effective substance abuse services and policy and makes it even more difficult to deal with the most important “co-occurring disorder”: Criminal justice issues. . While, substance use and abuse is an important issue in the treatment of those with severe mental illness (SMI) or severe emotional disorders (SED), collaboration – not cooptation - with the State substance abuse agency as an equal partner is of critical importance for State mental health agencies. Collaboration with the State mental health agency is a key function for State substance abuse agencies and is facilitated by ADP independence and visibility.
- **FAILED** to consider that treatment providers and staff in substance abuse treatment require certifications very different from those in mental health treatment positions. Certification is a mechanism used in many fields to require minimum standards for treatment providers and staff and is not sufficient or appropriate to justify merger when standards are so different.
- **FAILED** to take into consideration the five recommendations of the Little Hoover Commission in its 2003 report, *For Our Health & Safety: Joining Forces to Defeat Addiction*. The commission conducted a nine-month study of how the state delivers substance abuse services and issued its recommendations for efficiencies in the delivery system in March 2003.
- **FAILED** to acknowledge that there is large component of SAPT block grant that is dedicated to prevention and preventive intervention, activities not present in the mental health system.
- **IGNORES** existing state initiatives in substance abuse policy, especially Proposition 36, and the most essential **inter**-collaboration efforts with other state agency and departments’ substance abuse-related services and populations. These include: Education, Social Services (CalWORKs and TANF), California Youth Authority, Corrections (and Parole), and the Judicial Branch (Drug Courts and Proposition 36). In order to implement substance abuse policy and services that will actually achieve the objective of reducing direct and indirect costs of substance abuse to the State, effective collaboration as an equal agency between ADP and multiple other State and community agencies is absolutely essential. Subordination to mental health’s priorities would make this difficult since DMH does not need to collaborate to the same extent or on the same policy initiatives. This need for interagency collaboration is greater for substance abuse than for almost any other health or human services agency because virtually every public agency, especially the criminal justice system and primary healthcare, has clients with substance abuse disorders. To achieve effective interagency collaboration, the substance abuse agency must be highly visible, relatively autonomous and not completely subsumed within any agency that does not fully share its priorities and mission. State substance abuse agencies with high visibility and related credibility in their State system, and a corresponding allocation of resources and leadership, report being much better at promoting effective substance abuse policy through the agency’s strategy of interagency collaboration. These agencies also report being better able to devote internal resources to the effort required to obtain discretionary Federal funds in addition to their formula-driven block grants.

Recovery is a clinical, programmatic and spiritual/philosophical goal for substance abuse and all chronic disease, not a special activity directed solely at mental health, and certainly not a sound fiscal or policy rationale for merging any particular state departments that serve individuals with chronic disorders. The Department of Mental Health’s culture and organizational emphases are not in synch or sympathy with the crucial differences between these two important state departments. Consolidation of ADP with DMH is not likely to empower ADP to collaborate with

other state departments and criminal justice, its most critical priority. Effective collaboration that is saving California state government a great deal of money will be obstructed if these agencies are merged.

Untreated substance abuse imposes significant costs on many parts of the community and state government. According to California's Little Hoover Commission, the annual economic impact of substance abuse to our state is a staggering \$32.7 billion for costs of health care, social services, and criminal justice systems, as well as the losses due to crime and diminished productivity, and spending on prevention, treatment and law enforcement. ADP does much to effectively treat public substance abuse clients whose costs and co-occurring issues are the greatest threat to the State's fiscal health and public safety.

In short, the CPR Report, while itself a worthwhile effort in government improvement, rationality and fiscal efficiency, the recommendation to merge ADP with DMH actually **endangers** the citizens of this state, **diminishes** well-established collaborative efforts with the criminal justice system that have saved the State millions, **poses** potential serious fiscal problems with Federal funding and MOE requirements – subverting the very goals the CPR Report is intended to achieve.

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CAADPE is a professional association of community-based nonprofit alcohol recovery and other drug abuse services treatment agencies providing substance abuse services at over 300 sites in California. It is the only statewide association representing all modalities of substance abuse treatment programs and constitutes the infrastructure of the state's substance abuse treatment delivery system.

#### Attachments:

1. Draft: *Organizational Placement Of State Substance Abuse Agencies: Impact On Organizational Performance; Report on Phase I Analysis*, The Avis Group, August 5, 2004.
2. *For Our Health & Safety: Joining Forces to Defeat Addiction*, Little Hoover Commission, March 2003
3. *Reclaiming Lives, A Seven Point Plan to End Addiction and Its Negative Consequences*, Coalition of Alcohol and Drug Associations, November 2003.